

*Just the facts on...*

# Mortgage Foreclosure

Foreclosure is a legitimate concern if you miss mortgage payments. Foreclosure may also affect your ability to receive credit down the road. These reasons alone make it imperative that you address mortgage concerns immediately. Your mortgage lender should be contacted promptly. Your lender may be willing to negotiate payment deadlines.

You can also seek the advice of a licensed credit counselor, who can assist you in arranging a repayment plan. While your lender and a licensed credit counselor may provide you third party help, you can take action. Do not succumb to promising foreclosure rescue or recovery offers. These are scams!



**Don't let your dream home become a nightmare.**

## Foreclosure: Dead end?

Homeowners facing foreclosure may not see an escape from their financial woes, but all may not be lost. Consider the following alternatives for which you may qualify before foreclosing on your home.

**Special Forbearance:** Your lender may agree to suspend or reduce your mortgage payments if you can guarantee payment by a specific date.

**Reinstatement:** Your lender should be willing to accept the total balance of your mortgage in one payment by a specific date. This option often accompanies special forbearance as well.

**Repayment:** Your lender may be willing to allow you to add a portion of your missed payments to each future payment until you are back on track.

**Mortgage Modification:** Your lender may agree to alter the terms of your original loan to add missed payments over time, adjust the interest rate, or extend the life of the loan.

**Partial Claim:** If you qualify, you may be able to get a one-time, interest-free loan that will allow you to catch up on mortgage payments.



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## A special note on repayment

Repayment plans are one of the most common options for those facing a mortgage crisis and possible foreclosure. Before seeking the help of a counselor, check with the South Carolina Department of Consumer Affairs and make sure you are dealing with a licensed credit counselor. Anybody else is operating illegally and does not have your best interests in mind.

## Watch out for these scams

In addition to all the other things you must keep in mind when handling your mortgage, you must also be on the look out for mortgage fraud and scams.

**Equity skimming:** A “buyer” may offer to pay your mortgage for you or sell your property if you sign over the house deed and move out. After signing over the deed, you are left with an unpaid loan and no house.

The scammer skips town with your deed. Remember that signing over a deed does not necessarily free you of your debt.

**Phony counseling agencies:** Make sure if someone poses as a credit counselor that they are licensed by the South Carolina Department of Consumer Affairs. Scammers may pose as legitimate counselors and charge you for information and assistance that you can legally obtain elsewhere for free.

Mortgage fraud and scams take all kinds of forms in the housing industry. Because scammers are constantly inventing new twists to old scams, consumers should keep the following tips in mind at all times.

1. Read your contract carefully including the fine print.
2. Make sure you get all details in writing, especially verbal agreements.
3. Never assume a sale or loan that doesn't release you completely from your mortgage debt liability.
4. Get a second opinion from a lawyer or expert before signing.
5. Check for complaints against the prospective buyer.
6. Avoid predatory lenders who offer you a deal you can't afford. (These often include excessive rates, fees and points.)



The road to owning a home is often paved with crooks.